

Message Text

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FM SECSTATE WASHDC
TO AMEMBASSY BELGRADE

C O N F I D E N T I A L STATE 108361

FOR WORTZEL FROM ANDREWS

E.O. 11652: GDS

TAGS:OGEN

SUBJECT: OFFICIAL-INFORMAL

1. UNITED WOOD PRODUCTS VISA PROBLEM. STATE 105185 REFERS TO A CONSULAR CASE WHICH BELOVSKI BROUGHT TO VEST'S ATTENTION. IT INVOLVES UNITED WOOD PRODUCTS, A JOINT VENTURE 81 OWNED BY SIPAD, WHICH ASSEMBLES FURNITURE IMPORTED FROM YUGOSLAVIA. AN INS INSPECTOR IN BUFALLO HAS CHALLENGED THE "TREATY TRADER" E-1 STATUS ACCORDED TO THREE YUGOSLAVS WHO HAVE BEEN WORKING AT THE TANAWANDA, N.Y. ASSEMBLY PLANT OF UNITED WOOD PRODUCTS, ARGUING (WITH APPARENT JUSTIFICATION) THAT THE THREE ARE MERELY PERFORMING MANUAL LABOR AND NOT THE MANAGERIAL, SUPERVISORY OR SPECIALIZED DUTIES APPLICABLE TO TREATY TRADERS. EXCLUSION PROCEEDINGS ARE UNDERWAY AND IT APPEARS THAT INS WILL FIND AGAINST THE FIRM. YUGOSLAV EMBASSY IS SUGGESTING THAT SUCH A DECISION WILL IMPACT ON OTHER
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U.S. - YUGOSLAV JOINT VENTURES WHICH RELY ON YUGOSLAV "EXPERTISE" AND HAS ASKED US TO INTERVENE. WE HAVE CHECKED WITH L AND CA AND THERE APPEARS TO BE NO BASIS FOR ANY STATE INTERVENTION IN THIS CASE. WHILE A NEGATIVE DECISION AGAINST THESE 3 YUGOSLAVS DOES NOT AUTOMATICALLY MEAN OTHERS WILL BE INVESTIGATED, IF INDEED OTHER JOINT VENTURES ARE RELYING ON IMPORTED MANUAL LABOR IN THE GUISE

OF TREATY TRADER STATUS, THERE MIGHT WELL BE CHALLENGES ELSEWHERE. THE YUGOSLAVS MAY ATTACK ANY SUCH MOVES AS ATTEMPTS TO UNDERMINE THEIR INVESTMENTS IN U.S., BUT IN FACT THE ISSUE IS SIMPLY ONE OF VIOLATION OF VISA STATUS AND DISPLACEMENT OF U.S. LABOR. THE PROBLEM HAS ARISEN WITH OTHER COUNTRIES AS WELL. ABOVE IS FOR INFO, BUT I SUSPECT YOU WILL BE HEARING FROM GOY ON THE ISSUE.

2. EXIMBANK NEGOTIATIONS. WITH ALBRIGHT IN MADRID (ON VACATION) UNTIL MONDAY, EXIM WAS PLANNING TO SIT ON YOUR BELGRADE 3241 UNTIL HIS RETURN. HOWEVER, SAM CALLED EMBASSY MADRID THIS MORNING AND ASKED THAT ALBRIGHT GET WORD TO DAVID IN BELGRADE AND TO EXIM REGARDING ACCEPTABILITY OF DELAYING TALKS UNTIL MAY 15. YOU SHOULD BE HEARING FROM ALBRIGHT OR BE GETTING A MESSAGE FROM EMBASSY MADRID. IN THE MEANTIME, EXIM IS PREPARING DRAFTS WHICH SHOULD GO OUT EARLY NEXT WEEK.

3. THE CONGRESSIONAL CSCE COMMISSION WOULD LIKE TO PUBLISH A NUMBER OF DOCUMENTS RELATING TO THE BELGRADE MEETING. AMONG THE ITEMS THEY WANT TO INCLUDE IS THE YUGOSLAV DRAFT CONCLUDING DOCUMENT OF FEBRUARY 23. THEY ALSO WANT TO PUBLISH THE NNA DRAFT, BUT ARE WORKING INITIALLY THROUGH THE OTHER CO-SPONSORS. WE SEE NO EVIDENT PROBLEMS, BUT WOULD LIKE YOUR VIEWS.
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THERE WILL PROBABLY BE AN OPEN CHANNEL CABLE COMING TO ASK YOU TO ASK THE YUGOSLAVS.

4. FOR JONATHAN MAYHEW FROM LAUGHLIN REALTY: AFTER SEVEN VISITS SINCE 10 MARCH SEARS STILL HAS NOT FIXED REFRIGERATOR. TENANT FURIOUS AND DEMANDS REPLACEMENT. PLEASE AUTHORIZE AND SEND FUNDS. LAUGHLIN INCORPORATED REALTOR, 6805 OLD DOMINION DRIVE, MCLEAN, VIRGINIA , 22101.

5. EXIM/SAINT-PHALLE VISIT. AS EVANS AWARE, EXIM DIRECTOR SAINT-PHALLE HAS BEEN PLANNING TRIP TO YUGOSLAVIA TO ATTEND DUBROVINK CONFERENCE (MAY 12-14) AND TO MEET WITH DINA REPS IN ZAGREB. SAINT-PHALLE HAS COMMUNICATED DIRECTLY WITH DINA IN SETTING UP VISIT, BUT WE HAVE URGED HIM TO WORK THROUGH CONSULATE AS WELL. PLEASE ALERT CHRISTENSEN THAT WE WILL SEND IMMEDIATE CABLE TOMORROW WITH DETAILS OF ZAGREB VISIT (MAY 15-17).

6. EXIM NEGOTIATING TEAM. JUST LEARNED THAT ALBRIGHT INFORMED EXIM THAT HE PREFERS TO AIM FOR MAY 11-12

AND (IF NECESSARY) MAY 15-16, BUT THAT FINAL DECISION

WILL NOT BE MADE UNTIL MONDAY. WE REMINDED EXIM OF
MAY DAY HOLIDAYS PROBLEM. VANCE

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